

PRECiSE
BIOMETRICS

Q4

PRECISE BIOMETRICS

YEAR-END REPORT

JAN-DEC 2024



Precise technology is used

100K

**times/second
all year round**



Precise Biometrics (Precise) is a global pioneer in the field of cybersecurity and biometric solutions. The offering includes algorithm products for fingerprint, facial and hand recognition, as well as packaged end-customer products for biometric access (YOUNiQ Access) and visitor management (YOUNiQ Visit by EastCoast).

Our focus areas are biometric authentication for mobile phones, laptops, security keys and smart locks, vehicle applications for in-car payment, driver authentication and personal settings/access – as well as specialized systems for visitor management and physical biometric access control. Precise operates through two main business areas, Digital Identity and Biometric Technologies, and operates from its offices in Lund (HQ) and Stockholm, Sweden, Potsdam NY, USA, Seoul, South Korea, Taipei, Taiwan and Shanghai, China. The Precise share is listed on the Nasdaq Stockholm (PREC). Find out more at www.precisebiometrics.com.

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THE PERIOD IN BRIEF:

FIFTH CONSECUTIVE QUARTER OF GROWTH AND POSITIVE EBITDA

FOURTH QUARTER

- Net sales totaled SEK 21.8 (20.3) million
- EBITDA totaled SEK 3.4 (0.6) million
- Cash flow from operating activities totaled SEK 5.8 (-2.8) million
- The operating profit/loss (EBIT) totaled SEK -2.1 (-5.4) million
- Earnings for the period totaled SEK -1.3 (-5.0) million
- Earnings per share before and after dilution totaled SEK -0.02 (-0.06)
- ARR (Annual Recurring Revenue) at the end of the period was SEK 19.0 (18.3) million

FULL-YEAR PERIOD, JANUARY-DECEMBER

- Net sales totaled SEK 86.9 (75.1) million
- EBITDA totaled SEK 13.4 (-1.7) million
- Cash flow from operating activities totaled SEK 10.1 (-10.8) million
- The operating profit/loss (EBIT) totaled SEK -9.4 (-26.5) million
- Earnings for the period totaled SEK -8.4 (-26.4) million
- Earnings per share before and after dilution totaled SEK -0.11 (-0.34)
- ARR (Annual Recurring Revenue) at the end of the period was SEK 19.0 (18.3) million

SIGNIFICANT EVENTS DURING THE QUARTER

(the bullet list below contains links to the relevant press releases)

- New functionality in YOUNiQ Visit
- New initiatives to accelerate growth in visitor management systems
- New agreement with Crunchfish in respect of software for hand gestures
- Security solutions showcased at Skydd 2024
- Automotive solutions presented at the Infineon Preferred Design House event

SIGNIFICANT EVENTS AFTER THE END OF THE INTERIM PERIOD

(the bullet list below contains links to the relevant press releases)

- Xiaomi introduces new smart safe powered by technology from Precise
- Västra Hamnen Corporate Finance initiates coverage of Precise

FINANCIAL DATA AND KEY INDICATORS

Amounts in SEK thousands unless otherwise stated	2024	2023	2024	2023
	Oct-Dec	Oct-Dec	Full-year	Full-year
Net sales	21 787	20 311	86 852	75 069
Net sales growth, %	7,3%	5,4%	15,7%	-17,5%
EBITDA	3 436	590	13 379	-1 691
Gross margin, %	72,4%	65,3%	72,6%	63,7%
Operating profit/loss	-2 074	-5 421	-9 414	-26 458
Operating margin, %	-9,5%	-26,7%	-10,8%	-35,2%
Cash flow from the operating activities	5 757	-2 828	10 055	-10 760
Cash and cash equivalents	37 704	47 534	37 704	47 534
Annual Recurring Revenue	18 980	18 307	18 980	18 307

See the Financial Glossary for definitions.

PRESENTATION AND Q&A

Precise has published a video interview with CEO Joakim Nydemark in connection with this report. The interview is designed to complement the report and provide additional depth and a better understanding of the company's business operations.

The video is available on the Investor Relations page: <https://precisebiometrics.com/sv/investerare/>

The company also invites you to a live Q&A session. More information and a link to the registration page for Q&A session may be found on the Investor Relations page: <https://precisebiometrics.com/sv/investerare/>

Time of Q&A: Feb 13, 2025 at 13:00 (CET).

Questions can be asked directly in the chat function during the Q&A or submitted in advance to investor@precisebiometrics.com

CEO COMMENTS:

FIFTH CONSECUTIVE QUARTER OF GROWTH AND POSITIVE EBITDA

We are now putting 2024 behind us and rounding off the year with another quarter of growth and a positive EBITDA result. Sales increased by 7.3% during the quarter and by 15.7% for the full year 2024. At the same time, we reversed a loss for 2023 to generate an EBITDA for 2024 of SEK 13.4 million and a significant improvement in cash flow. Moreover, we are delivering this in a tough market climate, which makes us proud. However, the company's new commercialization phase and growth journey has only just begun, and we see a continued increase in demand both in the mobile phone market and in our other market verticals. We are strategically well positioned to continue to deliver market-leading visitor management systems, security solutions and biometric products with a clear growth strategy focused on expansive verticals and new geographical markets.

We have successfully executed the strategies set out by the company and achieved important internal goals, by such means as increased market presence, the launch of new, high-quality products, and more efficient sales and delivery processes, which has resulted in a significantly improved result. In the report for the corresponding period in 2023, I wrote that the conditions were in place for an exciting 2024, and I believe we have delivered on that.

STRONG QUARTER FOR BIOMETRIC TECHNOLOGIES

Our business in the field of biometric algorithms is driven by demand for digital devices, not least mobile phones. As our customers are usually one quarter ahead in their production compared with the manufacturers of end products, such as mobile phones, our volumes and thus royalty revenues for newly launched models are also visible a few months earlier. Production can also vary greatly between different quarters, which is why it is important to look at the company's growth over a number of quarters, not just individual quarters. We had a particularly strong third quarter ahead of the Christmas trade, and what is pleasing is that the fourth quarter was also characterized by healthy volumes. The strongest momentum we experienced during the period was in the mobile phone

market, where we won new projects and saw products with our software reach end consumers in both Asia and the US.

One of the reasons why demand has been strong for Precise compared with other industry peers is our world-leading offering for ultrasonic sensors, which can be found in many of the more advanced mobile phones today. Margins in the sensor industry are generally under pressure, but in those areas where Precise is strongest, ultrasonic and anti-tampering (solutions to prevent fraud and tampering), margins are better.

Another vertical that has begun to deliver royalty volumes, and where we see potential going forward, is the automotive industry. Although sales of vehicles, especially electric vehicles, were under pressure in 2024, the trend is increasingly moving towards the Software Defined Vehicle (SDV) concept, and we continue to position ourselves together with Infineon as a world leader in the field of biometrics for the automotive industry. During the quarter, we carried out various marketing activities, including a roadshow together with Infineon in Asia. Additional roadshows are planned for 2025, where we will visit suppliers and manufacturers in the automotive industry together with Infineon.

I would also like to highlight our progress in the area of hand recognition. During the quarter, we held many customer meetings around the world and signed agreements with Crunchfish on the use of their proprietary technology for hand detection and hand interaction, which creates additional competitive advantages and opportunities for new products. Areas of application in the field of authentication include payment, access and government initiatives such as national ID systems. Object detection and being able to follow the object in three dimensions also opens up business opportunities in a number of other areas, such as augmented reality, interaction in vehicles and industrial applications.

INCREASED ARR FOR DIGITAL IDENTITY

The growth of our offerings in the Digital Identity business area is still not at the level we want to be, even though both revenues and ARR (Annual Recurring Revenue) indicated growth during both the quarter and the full year. During the

autumn, we worked a lot on functionality, the packaging of our offerings and sales structure, so I feel that the conditions are in place for a significantly better outcome in 2025.

2024 has still been very positive, with a strong increase in the number of customers migrating from on-premise to the new cloud solution, which means lower initial hardware fees, but higher monthly license fees – which, is both good and important on the whole, as it strengthens the business over time. Growth is also taking place through new customers and additional sales to existing customers, including through expansion to more customer offices.

The rapid migration to the cloud is one of the highlights of the period, with customers who migrated including Alfa Laval, Familjebostäder, Tobii Technology and Öresundskraft. Demand continues to benefit from several external factors, such as the uncertain global situation, new regulatory requirements and the fact that modern companies want to be more customer-centric.

Sales of YOUNiQ Access in Sweden are encountering some resistance due to interpretations of GDPR, but discussions are ongoing at government agency level to ease progress in the area of biometrics. It is also positive that we see an increased interest in biometric access among our YOUNiQ Visit customers, as well as a high level of interest internationally. We have taken action to accelerate the commercial agenda and launched new features in YOUNiQ Access to further enhance the offering. Through new partnerships and enhanced product offerings, we are hopeful about developments in 2025.

FUTURE PROSPECTS

Looking ahead, there is much to suggest continued strong growth for Precise in 2025. In a society where security and user-friendliness are becoming increasingly vital, our solutions help to create greater reassurance – an offering that is simply becoming more and more relevant.

As one of the very few suppliers of algorithms for the ultra-sonic growth vertical in particular, the conditions exist for a continued increase in royalty revenues in the mobile phone area. At the same time, we continue to make significant progress in many other areas, such as cybersecurity, the automotive industry, and visitor management and access systems. In the latter part of 2024, we also noted an increasing number of initiatives from various government agencies that require biometrics, which is promising for the years ahead.

Precise is now a well-positioned company with a relevant product portfolio, long-standing relationships with partners, and a strong financial position, which creates good conditions for the years ahead. I am really looking forward to 2025, when we will continue to focus on growth and positive cash flow.

I would also like to take this opportunity to thank everyone, especially our highly competent team, for doing an amazing job during the year, but also all our customers, partners and shareholders for your continued trust. Together we are making the world simpler and safer.

Joakim Nydemark
CEO

MY TOP THREE:

- Fifth consecutive quarter of growth and positive EBITDA
- The mobile market is growing and we have strengthened our position
- Accelerated migration to cloud solutions is driving business value



A GROWING MOBILE MARKET

For Precise, a global pioneer in cyber security and biometrics, the company's important global mobile phone market recovered in 2024, after two years of decline.

According to industry data, global smartphone deliveries increased by 6% on the previous year, reaching over 1.2 billion devices in 2024. This recovery was driven by growing demand for phones equipped with advanced displays, AI features, high security and improved user-friendliness.

THE GLOBAL MOBILE PHONE MARKET RETURNED TO GROWTH IN 2024, DRIVEN BY AI AND SECURITY

The five largest suppliers continued to dominate the global market in 2024; Apple, Samsung, Xiaomi, Transsion and Vivo. Google, which is not top five, increased its market share for Pixel smartphones through increased penetration in the US.



MARKET 2025

Analysts predict continued growth in the global smartphone market in 2025, with deliveries expected to increase by up to 7%, according to many analysis companies. In the longer term, continued growth is expected in the period 2025–2033, driven by innovation in AI, security, biometrics and premium features.

SECURITY & ULTRASONIC

Ultrasonic-based fingerprint authentication and anti-tampering (solutions to prevent tampering and fraud) are playing a crucial role in developments. AI features in a device not only enhance the user experience, but also enable real-time threat detection, such as anti-tampering and liveness detection, which strengthens security.

In 2024, the use of ultrasonic-based fingerprint sensors for authentication increased significantly, driven by their performance and ability to work under high-resolution screens and

other materials. Actors such as Google, Samsung and Qualcomm have been at the forefront of this technology and integrated it into their flagship models.

In the years ahead, ultrasonic sensors are expected to expand beyond the premium segment and also reach mid-range models. Growth forecasts suggest double-digit annual growth, with Knowledge Sourcing Intelligence forecasting a compound average annual growth rate (CAGR) of 25% between 2025 and 2030.

WHAT DOES THIS MEAN FOR PRECISE?

- Mobile phones are still Precise's largest customer segment, which means that the recovery and growth in the mobile market has a positive impact on the company's growth.
- The increasing use of ultrasonic-based fingerprint sensors is in line with Precise's strengths and technological development.
- Demand for high-security solutions strengthens Precise's position in the field of anti-tampering and liveness solutions.

"THE FACT THAT THE MOBILE PHONE MARKET IS RETURNING TO GROWTH IS A POSITIVE SIGNAL FOR PRECISE AND THE ENTIRE INDUSTRY. AS MOBILE PHONES BECOME SMARTER, SECURITY REQUIREMENTS INCREASE, MAKING OUR BIOMETRIC SOLUTIONS EVEN MORE IMPORTANT IN HELPING OUR CUSTOMERS DELIVER THE SECURITY AND USER-FRIENDLINESS THAT USERS DEMAND. THE INCREASE IN ANTI-TAMPERING SOLUTIONS AND ULTRASONIC-BASED FINGERPRINT SENSORS FOR AUTHENTICATION IS A GREAT OPPORTUNITY FOR US IN OUR GROWTH JOURNEY – AND TO FURTHER ACCELERATE OUR MISSION TO CREATE A SECURE AND SEAMLESS EVERYDAY LIFE WHERE YOU ARE THE KEY."

JOAKIM NYDEMARK, CEO OF PRECISE BIOMETRICS

Sources:

The figures vary slightly depending on the analysis company, and we have used a selection of sources. The figures quoted are an average and/or a selection of the following: IDC Quarterly Mobile Phone Tracker, 2024–2025, Counterpoint Research: Global Smartphone Market Insights, 2024, Strategy Analytics: Mobile Market Growth Projections, 2025, Canalys: Smartphone Shipment Analysis, 2024, Qualcomm Reports on Ultrasonic Sensor Adoption, 2024 and Knowledge Sourcing Intelligence: Ultrasonic Fingerprint Sensor Market 2024.

UPDATE FROM THE BUSINESS AREAS

BIOMETRIC TECHNOLOGIES

The market for Precise algorithm products remains positive, and the company is experiencing strong momentum. During the period, Precise won new projects, further developed the software and saw new products reach the market.

MOBILE PHONE MARKET

The mobile phone market remains the single largest vertical, due to the large volume of phones being produced – nearly 1.2 billion smartphones were manufactured in 2024 (source: Research and Markets). Margins are under pressure, but they are better in the areas where Precise is strongest, ultrasonic and anti-tampering (to prevent fraud and manipulation).

A few of the period's highlights in the mobile phone area:

- **Continued success in ultrasonic & anti-tampering:** The area continues to grow faster than the mobile phone industry as a whole, with better margins and a rather unique position for Precise. For example, the company is the only supplier of ultrasonic and anti-tampering for Qualcomm in China, Europe and the USA. Ultrasonic is also growing into new product areas and out of the premium segment into areas including the mid-range segment. The benefits include performance and the ability to place the technology under different materials.
- **Expanded expertise in the US:** Precise has strengthened its team with a technical engineer based in the US. This person has valuable experience from Qualcomm and previously worked with their ultrasonic sensors.
- **Extended and strengthened partnerships:** Precise is continuously taking steps in its relationships with partners and leading suppliers, such as Qualcomm and Egis. Several new projects were won during the period.
- **Closer dialog with end customers:** More and more end customers (B2B companies such as mobile phone manufacturers and producers of consumer electronics) are seeking direct collaboration with Precise to improve security, performance and user experience.
- **Product launches:** Several new mobile phones with Precise ultrasonic and anti-tampering solutions reached the market during the period, with more in the pipeline.

AUTOMOTIVE

Precise continues to see a great deal of interest in the automotive industry and carried out several activities during the period, including an Asia roadshow together with Infineon.

Even though the automotive industry is experiencing certain challenges, Precise sees these primarily related to electrification and self-driving, while digitalization and the Software Defined Vehicle (SDV) concept are still accelerating – and it is primarily in these areas where the company's solutions are relevant. The market is driven both by the opportunities presented by new technology and the focus on software in vehicles, as well as new regulations concerning safety. Volume production is under way, which is positive as lead times are generally longer in the automotive industry than in the mobile phone industry, for example.

HAND RECOGNITION & GESTURES

Hand recognition, which is the latest modality to be added, has got off to a good start. There is a high level of interest and the company is starting to make the actual possibilities more tangible. One of the factors driving interest in hand recognition around the world is the many initiatives that are under way in the US and China, among others, around hand recognition, where it is being used with success in areas such as grocery stores and the subway.

Many customer meetings were held around the world during the period, and to further accelerate the development, [an agreement was signed with Crunchfish on hand movement technology](#). This agreement gives Precise access to new, advanced technology for hand detection and hand interaction, which can be used, for example, for payment, access and government initiatives such as national ID systems. Object detection and being able to follow the object in three dimensions also opens up business opportunities in a number of other areas, such as augmented reality, interaction in vehicles and industrial applications. Precise sees great opportunities in both selling the hand algorithm as a technical platform and working with partners to create packaged products for companies and industry.

NEW VERTICALS

Plenty of news outside the mobile & automotive markets too:

- Sales of the BioLive anti-tampering product for limited hardware environments are under way, and the first evaluation projects are in progress. Areas of application include national digital ID systems.
- Xiaomi launched the [Mijia Smart Safe](#) at the end of 2024, a safe with the Precise fingerprint algorithm. This is one in a series of products from Xiaomi featuring Precise technology.

- Data collection of biometric prints has rapidly become increasingly important. This data is vital to be able to train algorithms, but also to be able to develop products in the areas of anti-tampering and liveness. Precise has its own data collection and lab for this in the US.

DIGITAL IDENTITY

Sales are increasing in Digital Identity, and Precise sees a growing interest in both access and visitor systems. During the quarter, the company accelerated the commercial agenda and further structured internal processes for the company's visitor and biometric access systems.

During the period, Precise exhibited at the Skydd 2024 trade show in Stockholm, and also participated in panel debates on biometric security. There was a high level of interest and many new customer contacts were made. There were also some very positive comments about the solutions presented.

VISITOR SYSTEM (YOUNIQ VISIT)

During the period, Precise increased sales of the YOUNiQ Visit by EastCoast visitor management system, both in Sweden and internationally. This success involves both new customers and additional sales to existing customers, including expansion to more offices and migration to the cloud. The rapid migration to the cloud is one of the highlights of the period, with customers who migrated including Alfa Laval, Familjebostäder, Tobii Technology and Öresundskraft.

The increase in sales is partly due to Precise having strengthened its position through increased sales pressure, but also due to external factors such as the uncertain global situation, new regulatory requirements and the fact that modern companies want to be more customer-centric.

The requirements placed on visitor management systems are becoming increasingly complex, and systems nowadays must deliver security, flexibility, scalability, efficiency, future-proofing and a first-class visitor experience. At the same time, visitor management today is about much more than simply registering a physical meeting at reception. It may include parcel deliveries, spontaneous visitors or security-classified visits that require signed confidentiality agreements or verified identity through ID documents or biometric authentication.

Precise has launched new features and integrations to meet these new requirements. Examples of new features include:

- **Self-check-in on own device:** Visitors can check in via their mobile phone or other digital device, creating a smoother, more efficient process.

- **Parcel delivery management:** New functionality for managing and receiving deliveries directly in the system.
- **Extended guest service:** To offer an even better guest experience, there is the option to include various add-on services such as temporary Wi-Fi codes and parking.
- **Integrations with other systems:** YOUNiQ Visit by EastCoast has been expanded with more integrations, such as access control systems, to ensure a smooth visitor experience and high security.
- **Multi-factor authentication (MFA) and Single Sign-On (SSO)** to further increase security and simplify admin.

ACCESS SYSTEM (YOUNIQ ACCESS)

Regarding the Precise access system, YOUNiQ Access, the challenges have been slightly greater, mainly on the home market in Sweden. There is, however, an ongoing debate at government agency level about changes to and interpretations of laws and guidelines that will benefit the use of biometrics in society.

Sales of YOUNiQ Access in the US have started to take off, and the expansion of the offering to include hand recognition is creating even more interest. The company's partner in the US, which is developing a scanner for hand recognition, is planning a commercial launch in the first half of 2025, at which time deliveries for hand recognition can start.

Increased security is seen as critical by many companies, and YOUNiQ offers an extremely secure alternative to traditional card access. Discussions are ongoing with additional partners both in the US and in other markets, and there is much to suggest a positive trend in 2025.

NEW CUSTOMERS

During the period, Precise signed several new customer agreements in the area of Digital Identity, while many existing customers also carried out major updates and migrated to the cloud. The company's cloud solution means slightly lower revenues from hardware, but higher monthly fees and better conditions for additional sales. The companies include: Alfa Laval, Bonava, CapGemini, Degerfors Municipality, Ependion, Foxway Group, NINA, Nordnet, Nyköping Municipality, OneSubSea, Oriol, ReturPack, the Swedish Agency for Economic and Regional Growth, Trioptima, and others.

PRODUCT ROADMAP

A number of new features in YOUNiQ products were launched during the period, and there is a clear roadmap going forward, which includes both new functionality and further improved security and compatibility with different security standards.

CUSTOMER OFFERING

In a society where security and user-friendliness are becoming increasingly central, Precise helps to create greater peace of mind. This is done by developing innovative technological solutions in the areas of cyber security and biometric recognition, where simplicity and a first-class user experience are combined with a very high level of security, because “YOU are the key”. Instead of using a PIN code, password, key, card, etc. to authenticate yourself, you use your finger, face, or palm.

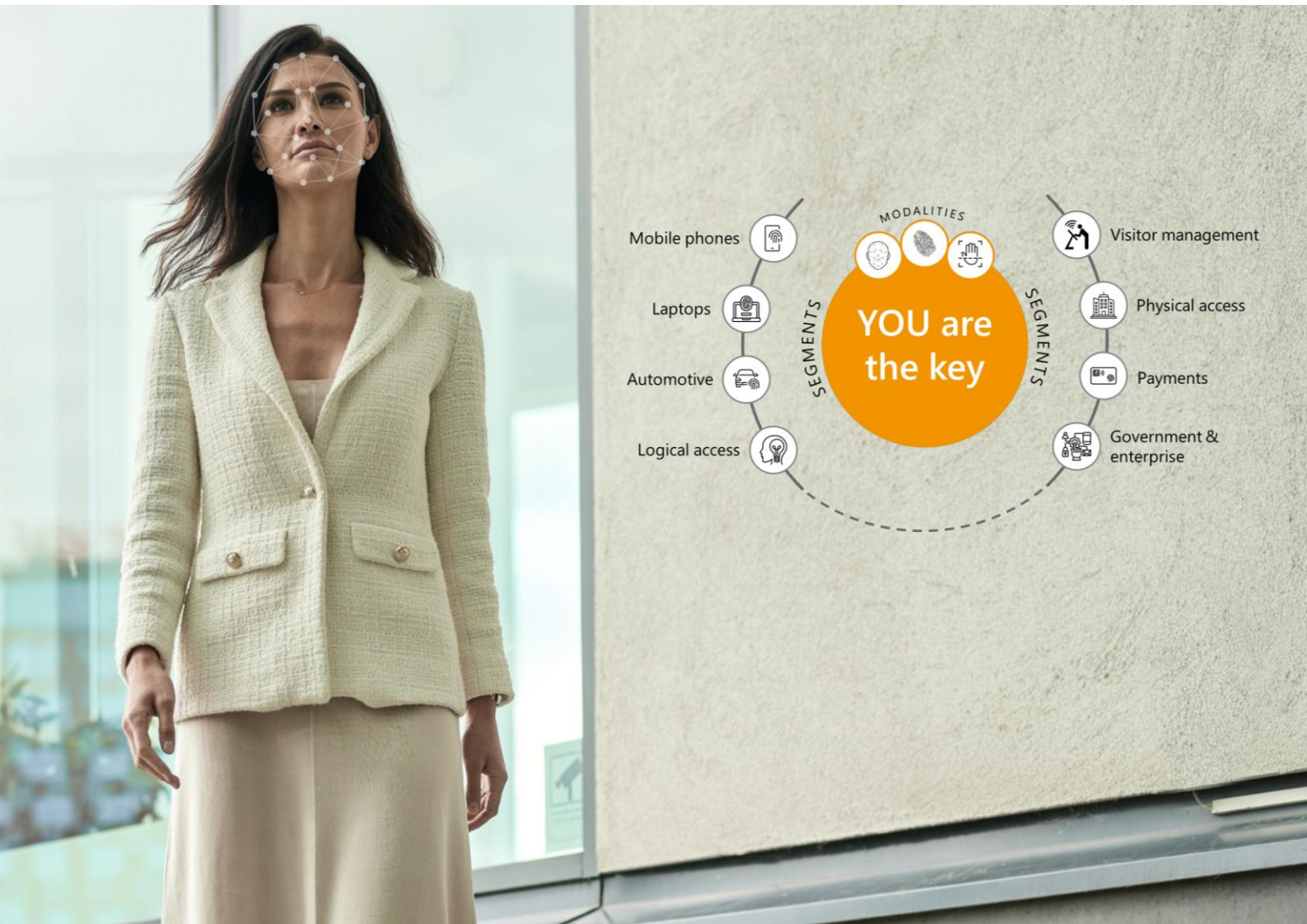
There are areas of application in both digital and physical access, and the applications can be found in, for example, mobile phones, laptops, logical access, payment, vehicles, and in visitor and access systems.

The offering consists of algorithm products, basic technology, which component manufacturers use in their products, and also end-customer products for access and visitor management. The focus of all solutions is to combine high

security with a first-class user experience through outstanding technology, based on AI and Deep Learning.

WHY PRECISE?

- Unique knowledge, as biometrics and cyber security has been the company's core business for 25 years.
- Established on the global market, the company's technology is used more than 100,000 times per second, all year round.
- Large customer base and a global ecosystem of partners.
- Software company, which creates flexibility and the facility to make quick changes.
- Hardware-independent.
- Combines several different biometric modalities such as finger, palm, and face.
- A growing SaaS and ARR business.



BUSINESS VALUE

The commercial value of biometric recognition solutions can be divided into internal company factors and external environmental factors. The internal factors relate to areas such as security, efficiency, user-friendliness, customer service, compliance, and scalability, while the external factors primarily concern the rapid development of technology and AI, and the uncertain security situation.

- Security
- Scalability
- Compliance
- User-friendliness and simplicity
- Reduced risk of fraud and forgery



OUR PRODUCTS

END-CUSTOMER PRODUCTS FOR ACCESS AND VISITOR MANAGEMENT

- **YOUNIQ Access** is our biometric access solution for physical entry.
- **YOUNIQ Visit** (EastCoast Visit in Sweden) is our visitor management solution.

ALGORITHM PRODUCTS FOR BIOMETRIC RECOGNITION

- **BioMatch** is our fingerprint and palm matching product.
- **BioLive** is our product to prevent manipulation, fraud and forgery by ensuring the authenticity of biometric prints.
- **BioEnhance** is our product for image enhancement, e.g., regarding biometric prints before matching.



NET SALES & OPERATING PROFIT/LOSS

NET SALES FOR THE QUARTER

Net sales during the quarter increased to SEK 21.8 (20.3) million, and net sales were divided between royalty revenues of SEK 11.5 (6.0) million, license fees (including support and maintenance) of SEK 9.4 (12.3) million and other revenues of SEK 0.9 (1.9) million. Royalty revenues were up year-on-year as a consequence of new customer projects and general volume growth in the mobile industry. License fees were down slightly year-on-year, mainly due to changes in the composition of customers and renegotiated license agreements due to the reduced support needs of some customers.

BIOMETRIC TECHNOLOGIES

Net sales for Biometric Technologies totaled SEK 16.2 (13.9) million and are reported under royalties at SEK 11.5 (6.0) million, licenses at SEK 4.6 (7.3) million, and Other at SEK 0.1 (0.6) million. The increase in royalty revenues is partly due to Precise being correctly positioned in the area of new sensor technologies such as ultrasonic. License fees were down year-on-year mainly due to changes in the composition of customers and renegotiated license agreements due to the reduced support needs of some customers. The gross margin during the quarter totaled 83.1% (81.6). The increase in gross margin is primarily due to higher sales. Royalty revenues are based on the customers' sales volumes, and increased royalty revenues therefore have a positive impact on margins as they do not entail any extra costs for Precise.

DIGITAL IDENTITY

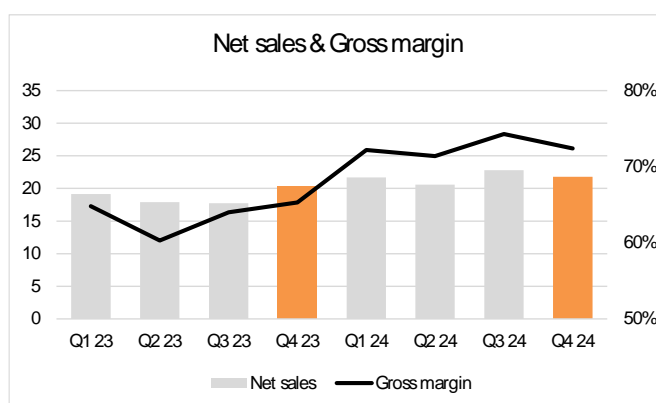
Net sales for Digital Identity totaled SEK 5.6 (6.4) million and are reported under licenses at SEK 4.8 (5.0) million, and other revenue at SEK 0.8 (1.4) million.

The proportion of recurring revenues (Annual Recurring Revenue, ARR) increased, while revenues of a non-recurring nature decreased. This is part of the company's strategy to allocate a larger proportion of revenue as recurring ARR instead of one-off licenses. The ARR at the end of the third quarter was SEK 19.0 (18.3) million.

The gross margin during the quarter totaled 41.2% (30.1). The higher gross margin is explained by a higher proportion of software, where the margin is higher compared with hardware sales.

EARNINGS FOR THE QUARTER

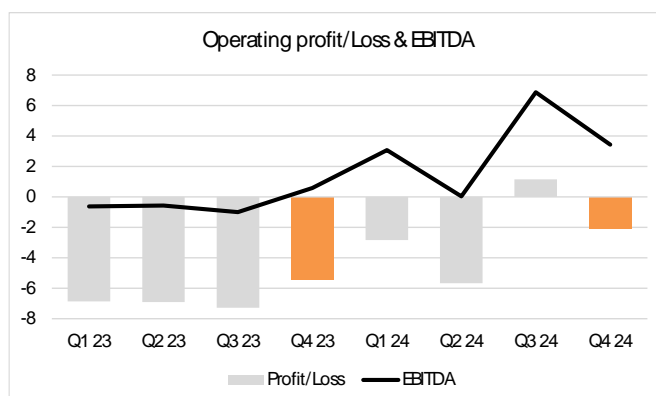
The gross margin during the quarter totaled 72.4% (65.3). The increase is primarily due to a change in the product mix in Digital Identity, which had a positive impact on the gross margin, as well as higher royalty revenues. Total amortization of capitalized development expenses was SEK 3.9 (4.5) million. Amortization of acquired intangible assets totaled SEK 0.6 (0.6) M.



Operating expenses for the quarter decreased to SEK 17.9 (18.7) million, primarily due to lower R&D expenses and consultancy expenses. The profit/loss at EBITDA level improved to SEK 3.4 (0.6) million. The improved EBITDA result is primarily attributable to higher net sales.

The operating profit/loss (EBIT) for the quarter totaled SEK -2.1 (-5.4) million. Earnings for the quarter totaled SEK -1.3 (-5.0) million. Depreciation/amortization totaled SEK 5.5 (6.0) million.

Earnings per share (average number of shares) for the quarter totaled SEK -0.02 (-0.06).



NET SALES FULL-YEAR

Net sales during the full-year period totaled SEK 86.9 (75.1) million. Net sales were split between royalty revenues of SEK 41.1 (17.7) million, license fees (including support and maintenance) of SEK 40.6 (49.8) million, and Other of SEK 5.2 (7.6) million. The increase in royalty revenues is largely due to Precise being correctly positioned within new sensor technologies such as ultrasonic and the number of units sold in the mobile market in general increasing during the year compared to 2023. License fees were down year-on-year mainly due to changes in the composition of customers and renegotiated license agreements due to the reduced support needs of some customers.

BIOMETRIC TECHNOLOGIES

Net sales for Biometric Technologies totaled SEK 65.4 (52.8) million and are reported under royalties at SEK 41.1 (17.7) million, licenses at SEK 22.0 (31.5) million, and Other at SEK 2.4 (3.7) million. The increase in royalty revenues is largely due to Precise being correctly positioned within new sensor technologies such as ultrasonic and the number of units sold in the mobile market in general increasing during the year compared to 2023. License fees were down year-on-year mainly due to changes in the composition of customers and renegotiated license agreements due to the reduced support needs of some customers. The gross margin during the full-year period was 83.7% (80.7). The increase in gross margin is primarily due to higher sales.

DIGITAL IDENTITY

Net sales for Digital Identity totaled SEK 21.4 (22.3) million and are reported under licenses at SEK 18.6 (18.3) million, and other revenue at SEK 2.8 (3.9) million. The change in revenues in Digital Identity is due to the fact that the proportion of Annual Recurring Revenue (ARR) increased, while non-recurring revenues decreased. This is part of the company's strategy to allocate a larger proportion of revenues as recurring ARR instead of one-off licenses. Other revenue consists mainly of non-recurring sales of hardware in the area of Digital Identity, and this has decreased. The ARR at the end of the interim period was SEK 19.0 (18.3) million. The gross margin during the full-year period was 38.7% (23.3). The higher gross margin is explained by a lower proportion of hardware sales and reduced depreciation.

EARNINGS FULL-YEAR

The gross margin during the full-year period totaled 72.6% (63.7). The increase is primarily due to a change in the product mix in Digital Identity, which had a positive impact on the gross

margin, as well as higher royalty revenues. Total amortization of capitalized development expenses was SEK 16.5 (18.4) million. Amortization of acquired intangible assets totaled SEK 2.4 (2.4) million.

Operating expenses for the full-year period decreased to SEK 72.5 (74.3) million, primarily due to lower R&D expenses, but also lower consultancy expenses. The profit/loss at EBITDA level increased to SEK 13.4 (-1.7) million. The improved EBITDA result is primarily attributable to higher royalty revenues in Biometric Technologies.

The operating profit/loss (EBIT) for the full-year period totaled SEK -9.4 (-26.5) million. The improved operating profit/loss is due to higher sales. Earnings for the full-year period totaled SEK -8.4 (-26.4) million. Depreciation/amortization totaled SEK 22.8 (24.8) million. Earnings per share (average number of shares) for the full-year period totaled SEK -0.11 (-0.34).

NET FINANCIAL ITEMS AND TAX

Net financial items for the quarter totaled SEK 0.7 (0.4) million and the tax expense totaled SEK 0.1 (0.1) million. Net financial items for the full-year period totaled SEK 0.6 (-0.3) million and the tax expense totaled SEK 0.4 (0.3) million.

Net financial items are attributable to exchange rate differences in cash and cash equivalents, interest income, interest on the lease liability in accordance with IFRS 16, as well as interest expense on the deferred fixed purchase price related to the acquisition of EastCoast.

CASH FLOW AND INVESTMENTS

The cash flow from operating activities during the quarter totaled SEK 5.8 (-2.8) million, of which SEK 1.5 (-3.8) million is attributable to changes in working capital. The Group invested SEK 0.1 (0.4) million in property, plant and equipment during the quarter. Total cash flow for the quarter was SEK -4.1 (-16.7) million. During the fourth quarter of 2024, a repayment of SEK 6.2 million (10) was made on the loan, including interest, relating to the acquisition of EastCoast.

Cash flow for the full-year period from operating activities totaled SEK 10.1 (-10.8) million, of which SEK -4.1 (-9.5) million is attributable to changes in working capital. The Group invested SEK 0.4 (1.2) million during the full-year period in property, plant and equipment. Total cash flow for the full-year period was SEK -10.0 (1.2) million. During the full-year period for 2023, a preferential share issue was carried out, in which the company received a total of SEK 39.5 million after issue costs.

CAPITALIZATION & AMORTIZATION OF DEVELOPMENT WORK

Development expenses of SEK 2.9 (3.1) million were capitalized during the quarter, and amortization of capitalized development expenses in respect of Digital Identity and Biometric Technologies totaled SEK 3.9 (4.5) million.

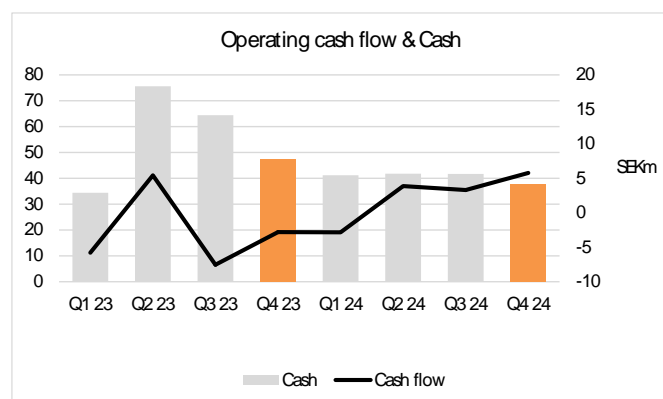
Development expenses of SEK 11.0 (14.7) million were capitalized during the full-year period, and amortization of capitalized development expenses totaled SEK 16.5 (18.4) million.

RIGHT OF USE ASSETS

No new rental agreements were added during the full-year period, but an extension of rental agreements in Lund and Stockholm resulted in an increase in lease liabilities of SEK 7.6 (0.7) million.

FINANCIAL POSITION & LIQUIDITY

Cash and cash equivalents at the end of the period totaled SEK 37.7 (47.5) million. Total equity at the end of the period was SEK 151.2 (159.3) million, and equity per share was SEK 1.93 (2.03).



THE PARENT COMPANY

The parent company's net sales for the quarter totaled SEK 17.8 (14.5) million. The operating profit/loss for the quarter totaled SEK -2.6 (-6.7) million. Net sales for the full-year period totaled SEK 70.0 million (53.8). The operating profit/loss for the full-year period totaled SEK -11.2 (-31.1) million and was affected

by amortization of goodwill totaling SEK 2.5 (2.5) million. Cash and cash equivalents at the end of the full-year period totaled SEK 25.5 (35.6) million, and equity SEK 139.0 (149.3) million.

ORGANIZATION AND STAFF

The organization consists of the head office in Lund, Sweden, and offices in Stockholm, Sweden, Potsdam, USA, and Shanghai, China. At the end of the full-year period, the Group had a workforce of 45 (42) people, including on-site consultants. The number of employees was 35 (31), of which 27 (24) were located in Sweden. Precise works in an agile way together with several partners, creating a fast-moving, scalable organization. The number of employees does not include partners.

FINANCIAL CALENDAR

Year-End Report 2024 – February 13, 2025

Q1 Interim Report 2025 – May 14, 2025

AGM 2025 – May 22, 2025

Q2 Interim report 2025 – August 15, 2025

Q3 Interim Report 2025 – November 14, 2025

Year-End Report 2025 – February 12, 2026

RISK FACTORS

The Group and parent company's business risks and risk management as well as the management of financial risks are described in detail in the Annual Report for 2023, which was issued in April 2024. There have been no incidents of significant importance since then that would affect or change these descriptions of the Group or parent company's risks and how they are managed.

OWNERSHIP STRUCTURE

Precise Biometrics AB (publ), corporate ID number 556545-6596, is the parent company of the Precise Biometrics Group. Precise Biometrics AB's shares are listed on the Small Cap list of the Nasdaq OMX Nordic. The number of shareholders at the end of the quarter was 22,672 (16,612). 82,009,500 (13,308,291) PREC shares were traded during the quarter. The closing price on December 30 was SEK 4.94 (1.10), and during the quarter the share price fluctuated between SEK 6.80 (1.32) and SEK 2.73 (0.89).

This quarterly report has not been audited by the company's auditors.

The undersigned certifies that the year-end report provides a true and fair view of the parent company's and the Group's operations, financial position and financial results, and describes the significant risks and uncertainty factors faced by the parent company and the companies that belong to the Group.

Lund, February 13, 2025

Torgny Hellström

Chairman of the Board

Howard Ro
Board member

Peter Gullander
Board member

Maria Rydén
Board member

Åsa Schwarz
Board member

Joakim Nydemark

CEO

For further information, please contact:

Joakim Nydemark, CEO

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This information is information that Precise Biometrics AB is obligated to disclose pursuant to the EU Market Abuse Regulation. The information was submitted for publication on February 13, 2025 at 08:00 AM (CET).

CONSOLIDATED INCOME STATEMENT, IN SUMMARY

Amounts in SEK thousand	Note	2024	2023	2024	2023
		Oct-Dec	Oct-Dec	Full-year	Full-year
Net sales	2,3	21 787	20 311	86 852	75 069
Cost of goods sold		-6 015	-7 038	-23 786	-27 246
Gross profit		15 772	13 273	63 066	47 823
Marketing and sales expenses		-8 394	-6 719	-32 982	-27 420
Administrative expenses		-3 700	-3 488	-13 789	-14 150
R&D expenses		-6 747	-7 797	-26 966	-32 105
Other operating income/expenses		993	-688	1 256	-606
		-17 846	-18 694	-72 480	-74 281
Operating profit/loss		-2 074	-5 421	-9 414	-26 458
Financial income/expenses	4	690	373	630	-291
Profit/Loss before tax		-1 384	-5 048	-8 784	-26 749
Tax		89	87	351	346
Profit/Loss for the period attributable to parent company shareholders		-1 295	-4 961	-8 433	-26 403
Earnings per share, remaining operations, SEK*					
- before dilution		-0,02	-0,06	-0,11	-0,34
- after dilution		-0,02	-0,06	-0,11	-0,34
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME					
Profit/Loss for the period		-1 295	-4 961	-8 433	-26 403
Other comprehensive income:					
<i>Items that may be reclassified to profit or loss</i>					
Changes in accumulated exchange rate differences		258	-196	274	-127
Other comprehensive income for the period		258	-196	274	-127
Profit/Loss total attributable to holders of participations in the parent company		-1 037	-5 157	-8 159	-26 530

*Dilution effects are only considered in the event that the earnings per share become worse. Dilution effects have not been considered, as the average price is below the subscription price in current option programs.

CONSOLIDATED BALANCE SHEET, IN SUMMARY

Amounts in SEK thousand

ASSETS	Note	2024-12-31	2023-12-31
FIXED ASSETS			
Material assets		10 639	6 447
Goodwill and immaterial assets		124 741	132 751
TOTAL FIXED ASSETS		135 380	139 198
CURRENT ASSETS			
Inventories		242	359
Accounts receivable		23 813	19 173
Other current receivables		3 123	3 499
Accruals and deferred income		2 804	2 903
Cash and cash equivalents	4,6	37 704	47 534
TOTAL CURRENT ASSETS		67 686	73 467
TOTAL ASSETS		203 066	212 665
EQUITY AND LIABILITIES			
EQUITY			
Equity		151 163	159 319
TOTAL EQUITY ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS		151 163	159 319
LONG-TERM DEBT			
Long term debt	6	16 281	17 460
TOTAL LONG-TERM DEBT		16 281	17 460
SHORT-TERM LIABILITIES			
Short-term liabilities	4,6	35 621	35 886
Total Short-term liabilities		35 621	35 886
TOTAL EQUITY AND LIABILITIES		203 066	212 665

CONSOLIDATED CASH FLOW STATEMENT, IN SUMMARY

Amounts in SEK thousand	Note	2024 Oct-Dec	2023 Oct-Dec	2024 Full-year	2023 Full-year
Cash flow from operating activities					
Operating profit/loss		-2 074	-5 421	-9 414	-26 458
Adjustments for items not included in cash flow		5 661	5 976	22 928	24 843
Interest payments, net		690	373	630	386
Tax paid		-9	3	-22	-9
Cash flow from operating activities before changes in working capital		4 268	931	14 122	-1 238
Cash flow from changes in working capital					
Change in inventories		-11	108	117	-48
Change in current receivables		-6 781	-9 073	-4 113	-7 083
Change in current liabilities		8 281	5 206	-71	-2 392
		1 489	-3 759	-4 067	-9 522
Cash flow from operating activities		5 757	-2 828	10 055	-10 760
Acquisition of subsidiaries	6	-6 168	-10 000	-6 168	-10 000
Investment in fixed assets		-134	-360	-370	-1 215
Investment in intangible assets		-2 911	-2 924	-10 967	-14 101
Cash flow from investing activities		-9 213	-13 284	-17 505	-25 316
New share issue		0	0	0	49 523
Commission expenses		0	0	0	-9 979
Repurchase of own shares		-1	0	-3	0
Payment of lease liability		-641	-630	-2 542	-2 258
Cash flow from financing activities		-642	-630	-2 545	37 287
Total Cash flow		-4 097	-16 742	-9 994	1 210
Cash & cash equivalents at beginning of year		41 650	64 382	47 534	46 405
Exchange rate differences in cash & cash equivalents		151	-106	164	-83
Cash & cash equivalents at end of period 1)		37 704	47 534	37 704	47 532

1) The balance sheet item Cash & Cash Equivalents only includes bank balances at both the beginning and end of the period.

CHANGE IN EQUITY (GROUP), IN SUMMARY

Amounts in SEK thousand		2024	2023
	Note	Full-year	Full-year
Equity at start of period		159 319	146 302
Comprehensive income			
Profit/loss for the period		-8 433	-26 403
Other comprehensive income			
Exchange differences		274	-127
Total other comprehensive income		274	-127
Total comprehensive income		-8 159	-26 530
Transactions with shareholders			
LTI programme	5	2	3
New share issue		0	49 523
New issue cost		0	-9 979
Total transactions with shareholders		2	39 547
Equity end of period		151 163	159 319

NOTES

NOTE 1 – ACCOUNTING POLICIES

This year-end report has been prepared in accordance with IAS 34, Interim Reporting. The parent company's financial statements have been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Annual Reporting Board's recommendation RFR 2, Accounting for Legal Entities. The recognition and measurement policies and bases of estimates applied in the Annual Report for 2023 report have also been used in this year-end report.

NOTE 2 – REVENUE ALLOCATION

Amounts in SEK thousand	2024	2023	2024	2023
	Oct-Dec	Oct-Dec	Full-year	Full-year
Segment				
<i>Biometric Technologies</i>				
Royalty	11 506	6 018	41 089	17 654
Licenses, incl. support & maintenance	4 630	7 332	21 976	31 500
Other	75	561	2 358	3 658
<i>Digital Identity</i>				
Licenses, incl. support & maintenance	4 784	5 012	18 588	18 308
Other	793	1 388	2 841	3 949
Total	21 787	20 311	86 852	75 069
Timing of revenue recognition				
At point in time*	12 416	7 795	47 777	25 394
Over time**	9 371	12 516	39 075	49 675
Total	21 787	20 311	86 852	75 069
Region/Country				
Europe	6 671	7 539	27 598	29 054
- w hereof Sweden	5 156	5 189	20 356	20 982
Asia	7 251	9 056	29 443	31 205
- w hereof China	332	353	1 372	3 152
- w hereof Taiwan	6 126	7 876	24 963	25 224
USA	7 865	3 716	29 811	14 811
Total	21 787	20 311	86 852	75 069

* Sale at a certain time means that revenue is reported point-in-time at the start of the agreement period, when control has been transferred to the customer. Royalties have been moved to sales at a certain point in time in order to provide a more accurate picture.

** Sales over time means that revenue is accrued on a straight-line basis over the term of the agreement.

NOTE 3 – SEGMENT REPORTING

Amounts in SEK thousand	2024			2023		
	Biometric Technologies	Digital Identity	Summa Segment	Biometric Technologies	Digital Identity	Summa Segment
			2024 Oct-Dec			2023 Oct-Dec
Net sales	16 211	5 576	21 787	13 911	6 400	20 311
Cost of goods sold	-2 738	-3 277	-6 015	-2 564	-4 474	-7 038
Gross profit	13 473	2 300	15 772	11 348	1 926	13 273

	2024			2023		
	Biometric Technologies	Digital Identity	Summa Segment	Biometric Technologies	Digital Identity	Summa Segment
			2024 Full-year			2023 Full-year
Net sales	65 424	21 428	86 852	52 812	22 258	75 069
Cost of goods sold	-10 660	-13 125	-23 786	-10 171	-17 075	-27 246
Gross profit	54 764	8 303	63 066	42 641	5 182	47 823

Other information

Only net sales and product costs are allocated to each segment. Other costs are not allocated at segment level as these items relate to group operations

Reconciliation profit/Loss	2024	2023	2024	2023
	Oct-Dec	Oct-Dec	Full-year	Full-year
Gross profit	15 771	13 273	63 066	47 823
Marketing and sales expenses	-8 394	-6 719	-32 982	-27 420
Administrative expenses	-3 700	-3 488	-13 789	-14 150
R&D expenses	-6 747	-7 797	-26 966	-32 105
Other operating income/expenses	993	-688	1 256	-606
Financial income/expenses	690	373	630	-291
Profit/Loss before tax	-1 384	-5 048	-8 784	-26 749

NOTE 4 – FINANCIAL INSTRUMENTS

The fair value in respect of financial assets and liabilities corresponds in all material respects with the carrying amount in the balance sheet.

INTEREST-BEARING LIABILITIES

On November 30, 2022, a supplementary agreement was signed that changed the terms and conditions for the remaining liability of SEK 55,000 thousand for the acquisition of EastCoast Solutions AB (see Note 6). SEK 30,000 thousand was paid on December 1, 2022, SEK 10,000 thousand on November 30, 2023 and SEK 5,000 thousand on November 30, 2024. SEK 5,000 thousand will be paid on November 30, 2025 and SEK 5,000 thousand on November 30, 2026. Interest will be added to the amounts of SEK 5,000 thousand due on November 30, 2025 and SEK 5,000 thousand due on November 30, 2026. Interest for the period from December 1, 2023 to November 30, 2024 was paid on November 30, 2024. The interest, of 3 months STIBOR + 8%, will be added from November 30, 2023 until the amounts have been paid. The liability is recognized as an interest-bearing liability as of December 31, 2024.

The liability has been calculated at current value at the original effective interest rate of 1.8% and is recognized as other current liabilities (SEK 5,954 thousand) and other non-current liabilities (SEK 5,337 thousand).

NOTE 5 – LTI PROGRAM

The Annual General Meeting 2022 resolved, in accordance with the Board's proposal, to establish a long-term share bonus program (LTI 2022/2028) for all employees in Precise Biometrics. In order to facilitate the implementation of LTI 2022/2028 and to ensure the delivery of shares to the participants, and to cover the company's costs for social security contributions, the meeting also decided to amend the Articles of Association in the form of the introduction of new Class C shares, authorization for the Board of Directors to issue Class C shares, authorization for the Board of Directors to buy back Class C shares, and approval of the transfer of shares to participants in LTI 2022/2028. The implementation of Class C shares took place in Q4 2022. As of December 31, 2024, Precise Biometrics held 1,085,000 Class C shares.

NOTE 6 – BUSINESS COMBINATIONS

As of November 30, 2021, the Group acquired 100% of the shares in EastCoast Solutions AB and Besökssystem Sverige AB.

The purchase price totaled SEK 86,203 thousand, of which SEK 24,466 thousand was paid as at December 31, 2021, partly via a cash payment of SEK 18,000 thousand and partly via the issuing of new shares totaling SEK 6,466 thousand. An additional SEK 8,268 thousand was paid in cash in January 2022.

On November 30, 2022, a supplementary agreement was signed that changed the terms and conditions for the remaining liability of SEK 55,000 thousand for the acquisition. See Note 4 for details of the new terms and conditions.

IMPACT ON CASH AND CASH EQUIVALENTS IN 2024 (REPORTED IN INVESTING ACTIVITIES):

Repayment of debt plus interest on November 30, 2024: SEK 6,168 thousand

See Note 4 regarding repayment of liability.

PARENT COMPANY INCOME STATEMENT, IN SUMMARY

Amounts in SEK thousand	Note	2024	2023	2024	2023
		Oct-Dec	Oct-Dec	Full-year	Full-year
Net sales	1	17 757	14 505	69 959	53 787
Cost of goods sold		-8 857	-8 556	-32 412	-32 709
Gross profit		8 900	5 949	37 547	21 078
Marketing and sales expenses		-5 354	-4 222	-20 783	-18 552
Administrative expenses		-3 556	-3 153	-13 227	-13 203
R&D expenses		-3 597	-4 613	-16 031	-19 813
Other operating income/expenses		994	-672	1 261	-626
		-11 513	-12 660	-48 780	-52 194
Operating profit/loss		-2 613	-6 711	-11 233	-31 116
Financial income/expenses		657	384	809	-109
Group contributions received		151	3 487	151	3 487
Profit/loss before tax		-1 806	-2 840	-10 274	-27 738
Tax		0	0	0	0
Profit/loss for the period		-1 806	-2 840	-10 274	-27 738

PARENT COMPANY BALANCE SHEET, IN SUMMARY

Amounts in SEK thousand

ASSETS	Note	2024-12-31	2023-12-31
Fixed assets			
Fixed assets		1 196	2 056
Immaterial assets		22 812	31 630
Deferred tax assets		90 558	90 558
TOTAL FIXED ASSETS		114 566	124 244
CURRENT ASSETS			
Inventories		0	64
Accounts receivable		20 859	13 704
Receivable Group		8 145	10 988
Other receivables		1 841	2 250
Accruals and deferred income		2 449	2 488
Cash and cash equivalents		25 452	35 618
TOTAL CURRENT ASSETS		58 746	65 112
TOTAL ASSETS		173 312	189 356
EQUITY AND LIABILITIES			
Restricted Equity			
Share capital		23 539	23 539
Statutory reserve		1 445	1 445
Reserve for development expenses		15 911	21 556
Total restricted equity		40 895	46 540
Unrestricted Equity			
Share premium reserve		168 316	168 316
Retained earnings		-59 942	-37 849
Profit/loss for the year		-10 274	-27 738
Total non-restricted equity		98 100	102 729
Total Equity		138 995	149 269
LONG-TERM DEBT			
Long term debt		5 337	11 302
TOTAL LONG-TERM DEBT		5 337	11 302
SHORT-TERM LIABILITIES			
Short-term liabilities		28 979	28 785
Total Short-term liabilities		28 979	28 785
TOTAL EQUITY AND LIABILITIES		173 312	189 356

CONSOLIDATED KEY INDICATORS

Amounts in SEK thousands unless otherwise stated	2024	2023	2024	2023
	Oct-Dec	Oct-Dec	Full-year	Full-year
Net sales	21 787	20 311	86 852	75 069
Net sales growth, %	7,3%	5,4%	15,7%	-17,5%
Gross margin, %	72,4%	65,3%	72,6%	63,7%
EBITDA	3 436	590	13 379	-1 691
Operating profit/loss	-2 074	-5 421	-9 414	-26 458
Working capital *	38 019	43 683	38 019	43 683
Capital employed	162 455	176 724	162 455	176 724
Liquidity ratio, %	189,3%	203,7%	189,3%	203,7%
Equity/assets ratio, %	74,4%	74,9%	74,4%	74,9%
Earnings per share before dilution, SEK	-0,02	-0,06	-0,11	-0,34
Earnings per share after dilution, SEK	-0,02	-0,06	-0,11	-0,34
Equity per share, SEK	1,93	2,03	1,93	2,03
Number of shares (thousands)	78 464	78 464	78 464	78 464
Weighted avg. number of shares, adjusted for dilution effect (thousands)	78 464	78 464	78 464	65 568
Number of employees at the end of the period	35	31	35	31
Average number of employees during the period	33	29	32	30
Annual Recurring Revenue	18 980	18 307	18 980	18 307

* The key indicator is calculated excluding current liabilities to EastCoast International AB

ALTERNATIVE CONSOLIDATED KEY INDICATORS

Amounts in SEK thousands unless otherwise stated	2024	2023	2024	2023
	Oct-Dec	Oct-Dec	Full-year	Full-year
Net sales	21 787	20 311	86 852	75 069
Net sales growth, %	7,3%	5,4%	15,7%	-17,5%
Gross profit	15 772	13 273	63 066	47 823
Net sales	21 787	20 311	86 852	75 069
Gross margin, %	72,4%	65,3%	72,6%	63,7%
Operating profit/loss	-2 074	-5 421	-9 414	-26 458
Net sales	21 787	20 311	86 852	75 069
Operating margin, %	-9,5%	-26,7%	-10,8%	-35,2%
EBITDA	3 436	590	13 379	-1 691
Depreciation and amortization	-5 510	-6 011	-22 794	-24 767
Operating profit/loss	-2 074	-5 421	-9 414	-26 458
Current assets	67 686	73 467	67 686	73 467
Current liabilities excl. current liabilities EastCoast International*	29 667	29 784	29 667	29 784
Working capital	38 019	43 683	38 019	43 683
Sales expenses	-8 394	-6 719	-32 982	-27 420
Administrative expenses	-3 700	-3 488	-13 789	-14 150
R&D expenses	-6 747	-7 797	-26 966	-32 105
Other operating income/expenses	993	-688	1 256	-606
Total operating expenses	-17 846	-18 694	-72 480	-74 281
Cost of goods and services sold	-6 015	-7 038	-23 786	-27 246
Depreciation Cost of goods sold	4 387	4 904	18 230	20 244
Cost of goods and services sold excluding depreciation	-1 628	-2 134	-5 556	-7 002
Operating expenses	-17 846	-18 694	-72 480	-74 281
Depreciation Operating expenses	1 123	1 107	4 564	4 523
Operating costs excluding depreciation	-16 723	-17 587	-67 916	-69 758
Balance sheet total	203 066	212 665	203 066	212 665
Non-interest-bearing liabilities	40 611	35 941	40 611	35 941
Capital employed	162 455	176 724	162 455	176 724
Closing equity	151 163	159 319	151 163	159 319
Average equity	152 700	158 780	152 700	158 780
Current assets minus inventories	67 445	73 109	67 445	73 109
Current liabilities	35 621	35 886	35 621	35 886
Liquidity ratio, %	189%	204%	189%	204%
Equity	151 163	159 319	151 163	159 319
Total assets	203 066	212 665	203 066	212 665
Equity/assets ratio, %	74,4%	74,9%	74,4%	74,9%

ANALYSIS OF RESULTS, IN SUMMARY

Amounts in SEK thousand	Note	2024 Oct-Dec	2023 Oct-Dec	2024 Full-year	2023 Full-year
Net sales	2,3	21 787	20 311	86 852	75 069
Cost of goods and services sold excluding depreciation		-1 628	-2 134	-5 556	-7 003
Operating costs excluding depreciation		-19 634	-20 684	-78 883	-84 490
Capitalized development expenses		2 911	3 097	10 967	14 732
EBITDA		3 436	590	13 379	-1 691
Total depreciation excluding acquired immaterial assets		-4 895	-5 390	-20 362	-22 340
Total depreciation acquired immaterial assets		-615	-620	-2 431	-2 426
Operating profit/loss		-2 074	-5 421	-9 414	-26 458

FINANCIAL GLOSSARY

NET SALES GROWTH

Percentage change compared with the corresponding period in the previous year. A measure of whether a company's net sales are increasing.

GROSS MARGIN

Gross profit/loss divided by net sales. Indicates the proportion of sales that is left over to cover wages, other operating expenses, interest and profit.

OPERATING PROFIT/LOSS

Profit/loss before net financial items and tax. A measure of a company's profit before interest and taxes, i.e., the difference between operating income and operating expenses.

OPERATING EXPENSES

Operating expenses excluding cost of goods sold. Operating expenses are expenses that do not belong directly to a particular product or product group. Common operating expenses include, for example, wages and other personnel expenses, as well as rental of premises.

EBITDA

Profit/loss before financial items and depreciation. This key indicator shows the Group's profit/loss before depreciation/amortization of capitalized assets. This measure makes it possible to make comparisons with other companies, regardless of whether the operation is based on acquisitions or through organic growth.

OPERATING MARGIN

Operating profit/loss divided by net sales. Defines what proportion of each Swedish krona of sales is left over to cover interest, taxes and any possible profit.

CASH FLOW

Cash flow from operating activities after changes in working capital. The operating cash flow indicates whether a company can generate a sufficiently positive cash flow to maintain and expand its operation, or whether it needs external financing.

WORKING CAPITAL

Current assets less current liabilities. This measure shows the capital a company needs to finance operating activities.

CAPITAL EMPLOYED

Total assets less non-interest-bearing liabilities and provisions. This measure shows how much capital is used in operations and is thus one component of measuring the return from operations.

EQUITY

Equity at the end of the period. Equity is the difference between the Group's assets and liabilities, which corresponds to the Group's equity that has been contributed by shareholders and the Group's accumulated profit.

AVERAGE EQUITY

The average equity was calculated as equity for the last four quarters divided by four.

LIQUIDITY RATIO

Current assets excluding inventories divided by current liabilities. This key indicator shows the Group's ability to pay in the short term.

EQUITY/ASSETS RATIO

Equity divided by assets on the balance sheet date. This key indicator shows what proportion of assets is funded by equity. This measure can be of interest when assessing the Group's ability to pay in the long term.

RETURN ON EQUITY

Profit/loss after tax divided by average equity. This key indicator shows the business's return on shareholders' capital invested and is thus a measure of how profitable the Group is. Investors can compare this measure with the current bank interest rate or return from alternative investments. The measure can also be used to compare profitability between companies in the same industry.

EARNINGS PER SHARE BEFORE DILUTION

Profit/loss for the period divided by average number of shares.

EARNINGS PER SHARE AFTER DILUTION

Profit/loss for the period divided by weighted average number of shares.

EQUITY PER SHARE

Equity on the balance sheet date divided by the number of shares on the balance sheet date. A measure of the value of equity per share, which is used when valuing the share in relation to the share price.

ANNUAL RECURRING REVENUE (ARR)

ARR is defined as repeat revenues at the end of the quarter for Digital Identity, converted to a 12-month period. Consequently, there is no direct link between the ARR figure and future software revenues for Digital Identity. The ARR metric is used for contractual recurring revenues for the Digital Identity segment, as Digital Identity has a large customer base based on SaaS revenues. There are a small number of large customers in Algo, and therefore license fees are not followed up using the definition of ARR in this segment.